

District
Director

P.O. Box 3209 Stop 29

Detroit, MI 48232

Person to Contact:

Telephone Number:

Refer Reply to:

Date: _____

AUG 21 1961

Gentlemen:

We have examined your Form 1023, Application for Recognition of Exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 submitted to this office [REDACTED], along with the information submitted subsequently.

Section 501(c)(3) of the Code requires that an organization be both organized and operated exclusively for one or more of the purposes as defined in section 501(c)(3) of the Code. An organizations purposes cannot be broader than those specified in section 501(c)(3) of the Code. For example, Revenue Ruling 62-71, 1962-1CB35 states, in part, that an organization which, as its primary objective, advocates the adoption of a doctrine or theory which can become effective only by the enactment of legislation is not entitled to exemption under section 501(a) since it is an "action" organization and thus is not operated exclusively for educational purposes within the meaning of section 501(c)(3) of the Code. Your operational information on Form 1023 states your organization "will pay for legal services for Christian individuals approved by the corporation who are subjected to business corruption and unethical practices." Furthermore, Article II, Paragraph 3 of your bylaws states you "will provide education and instructional materials, activities and services in defending the human and civil rights secured by law. These activities are broader than those specified in Section 501(c)(3) of the 1954 Internal Revenue Code.

Your organization is also, incorporated as a non-profit Domestic Corporation in the State of [REDACTED]. Article III of your Articles of Incorporation retains your stock-share basis with authority to issue [REDACTED] shares of \$[REDACTED] par value stock.

Since you have failed to furnish us information relative to the stock such as restriction and limitations, powers and rights, etc., we are unable to determine if this stock is in violation of the Regulations in Section 501(c)(3).

Section 501(c)(3) states an organization must be organized exclusively for 501(c)(3) purposes. Control of your organization appears to be retained by your Chief Executive officer, see Article VI, item 4 of your By-laws as amended. Regulations 1.501(c)(3)-1(d)(1) state "an organization is not organized or operated exclusively for one or more of the purposes specified in (1) (that is, Religious, Charitable, Scientific, Testing for Public Safety, Literary, Educational, or Prevention of Cruelty to Children or Animals) unless it serves a public rather than private interest. Thus, to meet the requirement of this subdivision it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled directly or indirectly, by such private interests."

Since this organization is neither organized nor operated exclusively for purposes in section 501(c)(3) of the Internal Revenue Code of 1954, exemption is hereby denied.

If you accept our findings, please sign the enclosed Form 6018, and return it to this office.

If you do not accept our findings, we recommend that you request a conference with the office of Regional Director of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at the Regional office or, if you request, at any mutually convenient District office.

If we have not received an appeal within 30 days from the date of this letter, your failure to exercise your appeal rights will be considered by the Internal Revenue Service as a failure to exhaust your available administrative remedies. Internal Revenue Code section 7423(b)(2) provides in part that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Further instructions concerning protests are contained in the enclosed Publication 892.

Any submissions must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a Power of Attorney and evidence of enrollment to practice must be met.

If we do not hear from you within the time specified, this communication will become our final determination.

Sincerely yours,

A large black rectangular redaction box covering the signature of the District Director.

District Director

Enclosures:
Publication 892
Form 6018

A small black rectangular redaction box.